



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

December 4, 2008

Stephanie McMorris, Manager, Human Resources
Crane Aerospace and Electronics
3000 Winona Avenue
Burbank, CA 91510-7722

Dear Ms. McMorris:

RE: FINAL MONITORING VISIT REPORT for Crane Aerospace and Electronics (Crane Aerospace)
– ET07-0164

Date of the Visit:	12/3/08
Beginning/Ending Time:	8:30 a.m. – 10:30 a.m.
Date of Last Visit:	5/23/08
Visit Location:	Burbank
Persons in attendance:	Christian DeSario, Jr. HR Business Partner, Crane Aerospace Marissa Tolentino, ETP Contract Analyst
Action Required:	Yes

CONTRACT INFORMATION:

Term of Agreement:	10/3/06 – 10/2/08	Agreement Amount:	\$528,768
Training Start Date:	10/10/06	No. to Retain:	459
Date Training must be Completed:	7/4/08	Range of Hours:	24 – 160
Type of Trainee:	Retrainee	Weighted Ave. Hours:	64

FINAL REPORT SUMMARY:

The Agreement was executed on November 22, 2006 and training began on October 10, 2006. Mr. DeSario reported that all training was completed on October 5, 2007, which allows for the 90-day retention period to be completed within the term ending date of the Agreement – October 2, 2008.

The Agreement is based on a variable reimbursement training plan. Crane Aerospace is reimbursed for the exact number of training hours provided to each trainee completing between

SACRAMENTO CENTRAL OFFICE
1100 J Street, 4th Floor
SACRAMENTO, CA 95814
(916) 327-5640

N. HOLLYWOOD REGIONAL OFFICE
4640 Lankershim Blvd., Suite 311
NORTH HOLLYWOOD, CA 91602
(818) 755-1313

S.F. BAY AREA REGIONAL OFFICE
1065 East Hillsdale Blvd, Suite 415
FOSTER CITY, CA 94404
(650) 655-6930

SAN DIEGO REGIONAL OFFICE
5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
(619) 686-1920

24 to 160 hours of training in either Business Skills or Continuous Improvement. Mr. DeSario provided Ms. Tolentino with projected statistics for the closeout of the Agreement. According to your records at the time of this final meeting and the information reported on the ETP Class/Lab Tracking Report, you have delivered 2,529 class/lab training hours for 38 trainees who meet the minimum hours. Assuming all other Agreement requirements are met, Crane Aerospace would earn approximately \$45,522 (9%) of the total ETP Agreement amount of \$528,768.

Since you have not submitted an invoice, you will receive \$45,522 if the anticipated number to retain is verified during the final fiscal closeout. During this visit, Mr. Desario submitted an invoice for progress payments 1 and 2.

Mr. Desario indicated that you were not able to complete 100 percent in this Agreement because during the term of this Agreement the company went through several organizational changes. The company shifted its focus away from training to production in new technologies. Employees were pulled out of classes because of production priorities. Employees were hired and training rooms were converted to offices to accommodate these employees. Mr. DeSario stated that it was only in June 2008 that a training space became available. Mr. Desario commented that company representatives including the consultant who helped with the ETP application may have overestimated the number of training hours the company needs.

In spite of the low performance, Mr. DeSario indicated that with ETP training, employees are more efficient and company waste or rework orders and production time has been reduced. Further, ETP recordkeeping was not a problem. The ETP Analyst was helpful and a good resource in regards to ETP requirements. Mr. DeSario appreciates the opportunities the State of California has provided in supplementing your ETP training needs.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	171	Completed Training:	38
Trainees Enrolled:	171	Completed Retention:	38
Dropped Following Enrollment:	133	In Retention Period:	0
No. Completed Minimum Reimbursable Hours :	38		

Mr. DeSario reported that your statistics are in agreement with the information outlined on the ETP Contract Status Report.

ATTENDANCE ROSTERS:

To verify provision of training Ms. Tolentino reviewed attendance records of 15 Job 1 trainees covering the period October 11, 2006 through May 14, 2007. The attendance rosters reviewed contained the information required by ETP regulations; verified that the Agreement curriculum was provided as specified and indicated that you are in compliance with the ratio of one trainer to 20 retrainees specified in the Agreement Training Plan.

Mr. DeSario was advised that these findings are based only on the training records reviewed during this Visit and represent only a sample of the training records completed to date. Further that it is your responsibility to ensure that all training records are in compliance with Panel requirements for auditing purposes. [Reference: Title 22 California Code of Regulations, Section 4442(b)]

FINAL INVOICE:

Ms. Tolentino advised Mr. DeSario that the Final Invoice must be submitted within 30 days from the expiration date of the Agreement and if more time was required, you should request for an extension by writing to Kulbir Mayall, Fiscal Manager in the ETP Sacramento office. Mr. DeSario stated that he will submit the Final Fiscal Closeout Invoice by December 5, 2008.

AUDIT:

Crane Aerospace will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Ms. Tolentino at (818) 755-1311 or by email at MTolentino@etp.ca.gov within ten (10) working days from the receipt of this letter.

Sincerely,

Signature on file

Dolores Kendrick, Manager
North Hollywood Regional Office

Signature on file

Marissa Tolentino, Contract Analyst
North Hollywood Regional Office

cc: Christian DeSario, Crane Aerospace (via e-mail)
David Guzman, Chief, Program Operations Division (via e-mail)
Kulbir Mayall, Manager, Fiscal and Certification (via e-mail)
Master File
Project File

Date report mailed to Contractor 12/5/08